

Tools

Break Even Worksheets

**BREAK-EVEN WORKSHEETS: DOLLAR BASIS**

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**Step 1:** Using your most recent income statements, classify all costs as either **fixed** or **variable**, then total each category.

*Classify Your Costs*

Actual Total Sales	= \$	_____
Total Variable Costs	= \$	_____
Total Fixed Costs	= \$	_____

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**Step 2:** "For every \$1.00 of sales, what percent goes away to variable costs?"

*Calculate Variable Cost Percent*

$$\text{Variable Cost Percentage} = \frac{\text{Total Variable Costs}}{\text{Actual Total Sales}} = \frac{\$ \text{_____}}{\$ \text{_____}} = \text{_____} \%$$


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**Step 3:** "For every \$1.00 of sales (after paying for variable costs), what percent is left to cover fixed costs . . . plus any targeted profit?"

*Calculate Contribution Margin*

$$100\% - \text{Variable Cost Percentage} = 100\% - \text{_____} \% = \text{_____} \%$$


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**Step 4:** "How many 'cents-es' does it take to cover your fixed costs?"

*Calculate Break-Even Sales*

$$\text{Break-Even Sales} = \frac{\text{Total Fixed Costs}}{\text{Contribution Margin \%}} = \$ \text{_____} = \$ \text{_____}$$


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NOTE: To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.

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**Step 5:** "Does the sales level you figured actually break-even - or give you the profits you target?"

*Check Your Calculations*

	Break-Even Sales	_____
(minus)	Variable Costs *	- _____
(equals)	Contribution Dollars	= _____
(minus)	Fixed Costs	- _____
(equals)	Net Profit	= _____

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\* Compute this figure by multiplying Break-Even (above) by the Variable Cost Percent in Step 2.

## BREAK-EVEN WORKSHEETS: PER UNIT BASIS

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**Step 1:** Using your most recent income statements, classify all costs as either **fixed** or **variable**, then total each category. Record the actual number of units sold and actual sales volume.

*Classify Your Costs*

Actual Total Sales = \$ \_\_\_\_\_  
 Total Variable Costs = \$ \_\_\_\_\_  
 Total Fixed Costs = \$ \_\_\_\_\_  
 Total Units Sold = \$ \_\_\_\_\_

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**Step 2:** Price Per Unit =  $\frac{\text{Total Sales}}{\text{Number of Units Sold}}$  = \$ \_\_\_\_\_

*Calculate Your Price Per Unit*

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**Step 3:** Variable Cost Per Unit =  $\frac{\text{Total Variable Costs}}{\text{Total Units Sold}}$  = \$ \_\_\_\_\_ per unit

*Calculate Your Variable Cost Per Unit*

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**Step 4:** Price per Unit - Variable Cost per Unit = Contribution Margin Cost Per Unit

*Calculate Your Contribution Dollars Per Unit*

\$ \_\_\_\_\_ per unit - \$ \_\_\_\_\_ per unit = \$ \_\_\_\_\_ per unit

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**Step 5:** Break-Even Sales =  $\frac{\text{Total Fixed Costs}}{\text{Contribution Margin Per Unit}}$

*Calculate Your Break-Even Sales in Units*

= \$ \_\_\_\_\_ = \_\_\_\_\_ units needed in sales to Break-Even

NOTE: To calculate the sales needed to generate a target profit, just add that target profit amount to your total fixed costs, then divide that amount by your contribution margin.